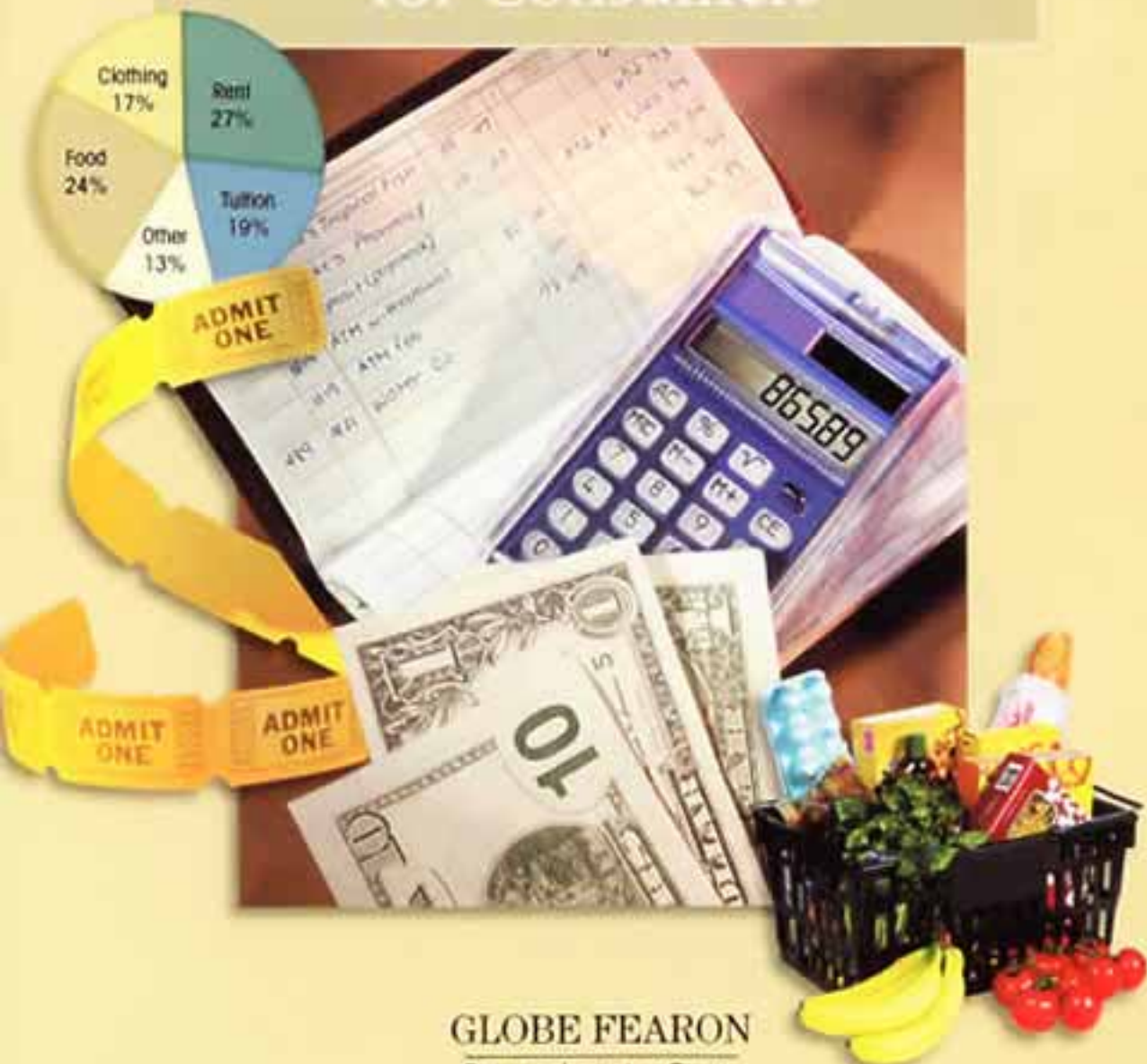


P A C E M A K E R[®]

Practical Mathematics for Consumers



GLOBE FEARON
Pearson Learning Group



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Using a Checking Account



You can put the information in your check register on the computer. The computer will calculate the balance of the money you have in the account. Why is it important to keep track of your balance?

Learning Objectives

LIFE SKILLS

- Describe how to open a checking account.
- Prepare deposit and withdrawal slips.
- Write a check and use a check register.
- Use a debit card.
- Read a bank statement.
- Reconcile a checking account.

MATH SKILLS

- Add, subtract, multiply, and divide with money.

Words to Know

signature card	a card with the name, address, and authorized signature of an account holder
authorized	approved; official
deposit slip	a paper that you fill out when you put money into an account
currency	bills or coins, such as a five-dollar bill; cash
withdrawal slip	a paper that you fill out when you take money out of an account
check register	a booklet used to keep track of the balance when a check is written or a deposit or withdrawal is made from an account
bounce	to refuse to pay a check written for more money than the amount in an account
bank statement	a bank form usually sent each month to the account holder, listing the checks paid, deposits and withdrawals, service charges, and the account balance
reconcile	to compare the information in a check register to a bank statement and correct any mistakes



Project: Interviewing Account Holders

Interview at least ten people you know who have checking accounts.

- Ask each person, *What bank do you use for your checking account?* Use the responses to create a bar graph.
- Ask each person *Why did you choose this bank?* (a) convenience, (b) low fees, or (c) the services offered? Use the responses to create a circle graph on a computer.

You decide you need to have a checking account. You choose a good bank. You decide on the checking account that best fits your needs. You are ready to open your account. What is the first step?

First, the bank will need to know a few facts about you. You must tell the bank if your account is just for you, or for you and another person. By law, the bank must have your Social Security number or your tax identification number. You must show identification, such as a driver's license or a passport, to prove you have given your correct name and address. If you have a job, you must also give the name and address of your employer. You also need to deposit money to open your new account.

You will be asked to sign a **signature card**. This card shows the bank the **authorized**, or official, way you will sign your checks. The authorized signature is the only signature the bank will accept on your checks. This is done for your protection. If someone steals your checkbook, the signature used will not match yours.

Wordwise

Deposit can be used as a noun and a verb. To deposit means to put money into an account. A deposit is the money that you put into that account.

Practice and Apply

Answer each question.

1. What are two things the bank needs from a customer to open a checking account?
2. What number will the bank accept in place of a Social Security number?
3. Why would the bank need your authorized signature?
4. **IN YOUR WORLD** Describe a time when you needed or may need to show identification.

Now that you have a bank account, how do you put money in it? One way is to use an ATM. Another way is to visit the bank and fill out a **deposit slip**. This is Lauren's deposit slip. She is depositing \$60 in currency, or cash, and a \$35 check.

DEPOSIT SLIP
PLEASE PRINT FULLY

Lauren Diaz
18 Pay Way
Los Angeles, CA 90015

DATE January 5, 2003

DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL

WRITE HERE FOR CASH RECEIVED IF REQUIRED

Any Bank
Wishore Place
Los Angeles, California, 90006

CASH	CURRENCY	\$60.00	Amount of cash deposited
	COIN		
LIST CHECKS SEPARATELY		\$35.00	Amount of each check deposited
TOTAL		\$95.00	Total amount of deposit
LESS CASH RECEIVED			Amount of cash back
NET DEPOSIT		\$95.00	Total deposit less cash received

US-550 (12/01)
7854-021

US-3125E
EACH ITEM IS PROPERLY ENCODED

⑆087⑆23528⑆ 0623⑆04⑆

Practice and Apply

Answer each question.

- How much did Lauren deposit?
- Did Lauren receive any cash back?
- What is the date of the deposit?
- CRITICAL THINKING** Lauren wants \$25 in cash back. On what line would she write this? Now what is the total of her deposit?

How Do You Fill Out a Withdrawal Slip?

Wordwise

A transaction occurs any time you deposit or withdraw money. When you withdraw money, the transaction is called a withdrawal.

Suppose your friend asks you to go shopping. You have no cash, so you need to withdraw money from the bank. It's easy to withdraw money from your checking account. You can use an ATM machine. You can also visit the bank and fill out a **withdrawal slip**. A withdrawal slip is similar to a deposit slip. Instead of showing how much money you put into your account, a withdrawal slip shows how much money you take out of your account.

You can receive the money you withdraw in cash or by check. If you are withdrawing a large amount of money, it's better to ask for a check. If you lose the check, no one will be able to cash it without your authorized signature.

Imagine this is your withdrawal slip. You are withdrawing \$100 in cash. You fill out the withdrawal slip like the one below.

Amount of withdrawal in words	Account holder's name	Date of withdrawal	
WITHDRAWAL		Date <u>October 28, 2003</u>	
Pay to the Order Of <u>Wilson Jones</u>		By <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Check	How you want the money
→ For <u>One hundred and 00/100</u>		Dollars (\$ <u>100.00</u>)	Amount of withdrawal in numbers
TO BE CHARGED TO MY ACCOUNT NUMBER <u>537896524</u>			
MC Bank Wilpond Street, Chicago, Illinois 60602		Signature <u>Wilson Jones</u> Address <u>234 Tremont Lane</u> <u>Chicago, Illinois, 60647</u>	
		Account number	Signature and address of account holder

Practice and Apply

Solve each problem.

WITHDRAWAL

1 Date _____

2 Pay to the Order Of _____

3 By ☐ Cash
☐ Check

4 For _____ 5 Dollars (\$ _____)

TO BE CHARGED TO MY ACCOUNT NUMBER 537896524

6 Signature _____

7 Address _____

MC Bank

Wilpond Street, Chicago, Illinois 60602

1. What are two different methods you can use to withdraw money from your checking account?
2. Imagine you are withdrawing \$150 by check from your account today. How would you complete the withdrawal slip above? Copy the slip on your paper and write the missing information for the numbered items.
3. What are the two different ways you can receive the money you withdraw?
4. **WRITE ABOUT IT** Explain whether you prefer to withdraw money from your account using a withdrawal slip or an ATM.

Maintaining Skills

Write each percent as a decimal.

1. 6% 2. 12% 3. 100% 4. 71%

Write each percent as a fraction in simplest form.

5. 25% 6. 4% 7. 30% 8. 98%

Did You Know?

Some banks have a Web site you can use to handle many of your transactions online.

Another way to withdraw money is to write a check. A check is a written order to a bank to pay the stated amount of money from an account. When you open a checking account, the bank will give you some blank checks to use. These checks will have your account number on them but not your name and address. You will have to buy checks printed with your personal information. When they arrive in the mail, make sure the information is correct. Here's what to look for:

- Your name and address are correct.
- The account number on the check matches the account number on your signature card.
- The name and address of the bank are correct.
- The check numbers are in consecutive order.

This is how a check should look when it is filled out properly.

The diagram shows a check with the following fields and labels:

- Name and address:** Carol Drake, 75 Main Street, Los Angeles, CA 90007
- Date check was written:** January 6, 2004
- Amount of check in numbers:** \$ 29.33
- Check number:** NO. 101
- Person or company that check is being paid to:** J.R. Checkitt
- Amount of check in words:** Twenty-nine and 33/100 DOLLARS
- Bank's name and address:** Any Bank, Wishy Place, Los Angeles, California, 90006
- Memo line:** shirt
- Account number:** 314305519
- Authorized signature:** Carol Drake

Practice and Apply

Today Jason wrote this check to the phone company to pay his telephone bill. Use it to answer each question.

Jason C. Tensen 173 Mooney Road Parsippany, NJ 07054 973-555-1234		NO. 109
(1) DATE _____		
PAY TO THE ORDER OF <u>Northeast Phone Service</u>		(2) \$ <input type="text"/>
<u>Thirty-two and 76/100</u>		DOLLARS
U & R Bank Oak Street Parsippany, NJ 07054		
MEMO: _____		<u>Jason C. Tensen</u>
⑆ 220 0667⑆ 314304289⑆		

1. What information is missing from the check? Write the missing information for the numbered items.
2. What is the amount of the check?
3. What is the check number?
4. What is the account number?
5. **IN YOUR WORLD** List three expenses that you might pay with a check.

Maintaining Skills

Write each of these amounts in words as if you were writing a check.

- | | | | |
|-------------|-------------|-------------|---------------|
| 1. \$5.00 | 2. \$10.98 | 3. \$27.86 | 4. \$14.01 |
| 5. \$100.26 | 6. \$240.89 | 7. \$876.12 | 8. \$1,856.71 |

Solve each problem. Show your work.

1. Charlie is a landscaper. He needs a new lawn mower that costs \$545. He had \$150 in his checking account. Then he deposited checks for \$120, \$46, \$97, \$112, and \$88. If he buys the lawn mower, how much will he have left in his account?
2. Carrie thought she had \$90 in her checking account. But, she forgot to record checks she wrote for \$45 and \$20. What is Carrie's balance?
3. Hamad had \$518.76 in his checking account. His bank bounced his check for \$525.00. How much more did Hamad need in his account before writing the check?
4. **OPEN ENDED** Aldo made four transactions in May. The beginning balance on his bank statement is \$672.08. The ending balance is \$547.63. A check for \$150.00 was cashed. A deposit for \$87.25 was made. What could the other two transactions have been?



Calculator

A calculator is helpful when reconciling your account.

Enter the beginning balance.	\$402.31	beginning balance
Add deposits.	+ 39.00	deposit
Subtract checks and charges.	- 108.92	check
Press = for the new balance.	332.39	new balance

Use a calculator to solve this problem.

Your beginning balance is \$87.01. You make a deposit of \$53.27. You write checks for \$32.48 and \$11.27. What is your new balance?

ON-THE-JOB MATH:

Bank Teller

Elena is a bank teller. She has a high school diploma and has been working as a teller for three years. She likes helping people and working with numbers.

Elena makes sure that customers write the correct amounts on deposit and withdrawal slips. She always counts the money she gives to customers at least twice before handing it to them. At the end of the day, Elena makes sure that the money in her cash drawer is correct, based on her computer record.

One day, Elena started with \$1,000.00 in her drawer. That day, she accepted \$7,842.67 in cash deposits. She paid out \$3,080.00 in cash. According to her computer, at the end of the day she should have had \$5,762.67 in her drawer. Elena counted only \$5,722.67 in cash. The table lists the cash that she had in her drawer.

Use the chart to answer each question.

1. How much money in coins is in Elena's drawer?
2. How much money in bills is actually in her drawer?
3. What is the difference between the total in her computer and the actual amount in the drawer?
4. What error did Elena make?



Currency	Quantity
\$100 bills	28
\$50 bills	20
\$20 bills	50
\$10 bills	60
\$5 bills	40
\$1 bills	120
quarters	83
dimes	128
nickels	149
pennies	167

You Decide

Suppose you are a bank teller. How would you make sure that you counted the money in your drawer correctly at the end of each day? How many times would you count it? Would you use a calculator?

Summary

To open a checking account, you need to give the bank certain information, fill out a signature card, and make a deposit into your account.

You fill out a deposit slip each time you make a deposit to your account. All cash and check amounts must be listed. All checks must be endorsed with the account number.

You fill out a withdrawal slip each time you take money out of your account at the bank. You must choose how you would like to receive the money you withdraw.

You must be sure that the information on your printed checks is correct. When you write a check, include the check amount in words and numbers, the date, the person or company you are writing the check to, and your signature.

It is important to enter each transaction into your check register and find the new balance.

A debit card can be used to pay for a purchase.

Each month, you will receive a bank statement to help reconcile your account. If your checking account doesn't reconcile, there are several steps you can take to find the error.

check register

currency

deposit slip

reconcile

signature card

withdrawal slip

Vocabulary Review

Complete the sentences with words from the box.

1. A paper that you fill out when you take money out of an account is a ____.
2. When you compare the information in a check register to a bank statement and correct any mistakes, you ____ your account.
3. Money in bills or coins is called ____.
4. A ____ is a booklet used to keep track of the balance when a check is written or a deposit or withdrawal is made from an account.
5. A paper that you fill out when you put money into an account is a ____.
6. A ____ is a card with the name, address, and authorized signature of an account holder.

Chapter Quiz

Solve each problem.

- Ezekiel is opening a checking account. He gave the bank his information and filled out a signature card. What else does he need to do?
- Lola is depositing a check for \$168. She wants to receive \$68 back in cash. Copy and complete the last two lines of the deposit slip to show the transaction.
- Ray has \$432.76 in his checking account. He makes a withdrawal of \$60.00. What is his account balance now?
- What is the balance on each of the three dates shown on the check register below?

CASH	
LIST CHECKS SINGLY	168 00
TOTAL FROM OTHER SIDE	
TOTAL	168 00
LESS CASH RECEIVED	
NET DEPOSIT	

PLEASE BE SURE TO DEDUCT ANY CHECK CHARGES THAT MAY APPLY TO YOUR ACCOUNT						
NUMBER	DATE	DESCRIPTION OF TRANSACTION	(-) CHECK/DEBIT	4	(+) DEPOSIT	BALANCE
963	7/25	CD Universe	14 78			\$ 592 11
	7/27	Deposit			112 69	
964	7/30	Save the Beaches	25 00			

- Shirley is reconciling her checking account. She has compared the ending balance in her bank statement to the balance in her check register. They both say \$430.29. Is Shirley finished reconciling her account? Explain.

Maintaining Skills

Find each percent.

- 13% of 100
- 25% of 268
- 150% of 100
- 4% of 325
- 0.5% of 100
- 12% of 12
- 1% of 1
- 6.5% of 524